

Massachusetts State Lottery Commission Meeting

Executive Director's Report

Delivered by: Beth Bresnahan

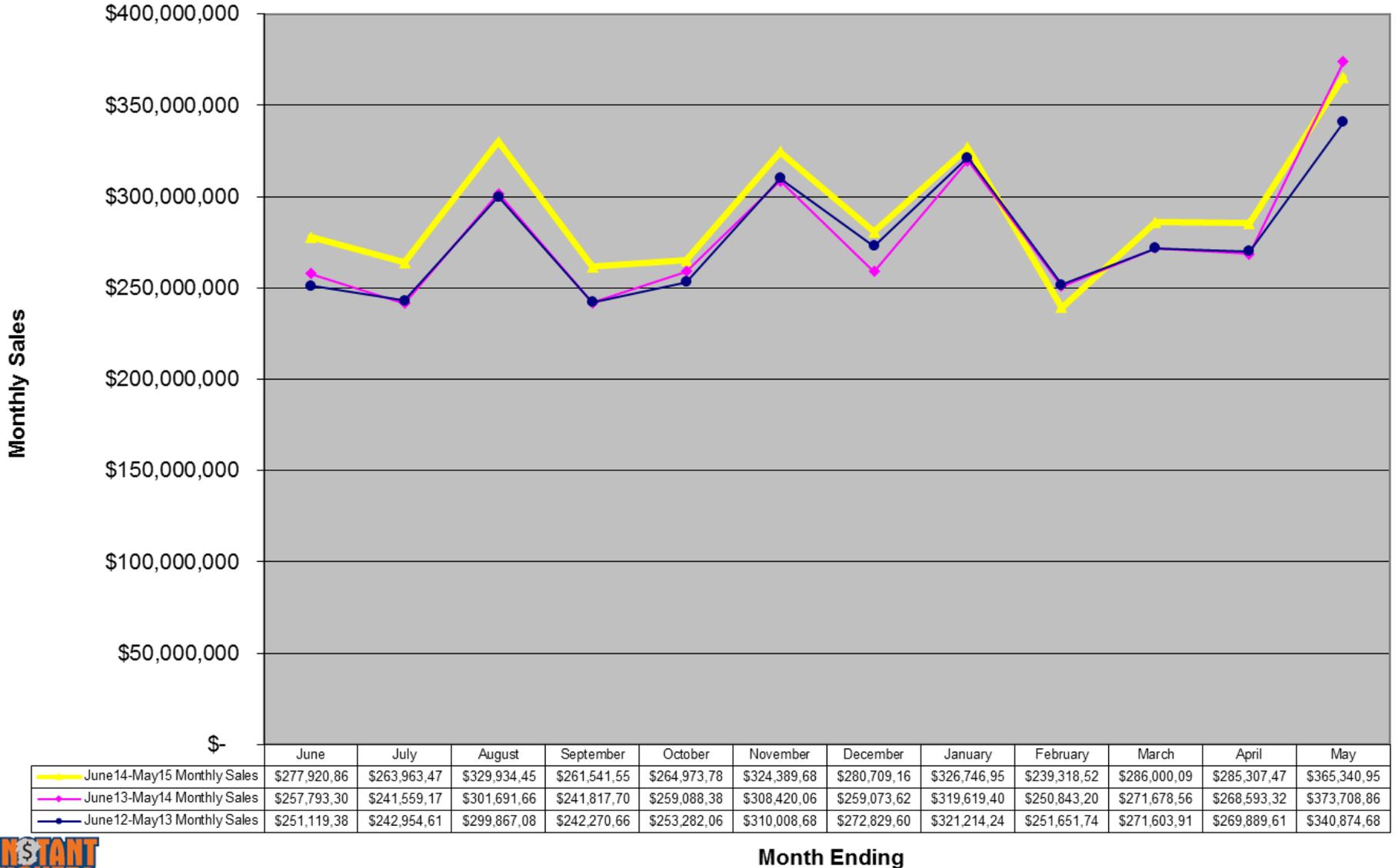
June 30, 2015



Lottery Sales Update

- Overall sales fell by \$472,530 as compared to sales in May 2014. An \$8 million decrease in Instant Ticket sales that can be attributed to the timing of the second \$30 game release, which launched one week later than its predecessor's debut in 2014, led to the slight year-over-year sales dip.
- Mega Millions experienced a \$4 million increase, while KENO sales grew by \$3 million and Powerball sales increased by \$1 million in May. There were minimal changes in the other offerings within the Lottery's draw game portfolio.
- The estimated prize payout for the month was 71.44 percent, as compared to 72.05 percent in May 2014. This brings the estimated prize payout for the first 11 months of FY15 to 72.43 percent, as compared to 72.13 percent for the same time period in FY14.
- While the estimated prize payout percentage has increased slightly over last year, overall games sales have grown significantly and are \$136 million, or 3.1 percent, over last year's sales through the end of May. Accordingly, the year-over-year net profit has increased by an estimated \$8.3 million, setting the Lottery on course to meet the projected FY15 return.
- As the fiscal year draws to a conclusion, we anticipate posting our fourth consecutive year of record-breaking sales and marking the highest point in the Lottery's 43-year sales history. The continued excitement around our April games, including \$30 *Supreme Millions*, along with the four new Instant Tickets that were released on June 23rd, should help us to solidify yet another banner year.

Instant Game Monthly Sales June 12 thru May 15



June Instant Ticket Social Media Graphics



Facebook.com/MAStateLottery (Cover Photo)



YouTube.com/MassStateLottery (Cover Photo)



MassLottery.com (Homepage Sliding Banner)



Twitter.com/MAStateLottery (Background Skin)



Flickr.com/MAStateLottery (Cover Photo)



June Instant Ticket Paid Advertising (June 23 – July 21)

The Lottery invested \$100,000 for the production and placement of a multi-media ad campaign supporting the June Instant Ticket launch. The campaign began on the launch day and will run through July 21. The combination of digital and out-of-home paid advertising has a summer theme and focuses on the four new tickets as a group and the total cash prizes of over \$349,000,000 being offered.

Campaign components include a variety of high-impact digital units that will be running across multiple platforms (desktop, mobile, tablet) for a four week period on high-traffic/high-visibility sites, including newspaper & TV websites across Massachusetts. Mobile units will include a locator map showing nearby Lottery retailers.

A four week (June 23 – July 21) out-of-home strategy features digital screens (70-inch vertical displays, 55-inch horizontal displays) at high traffic transit hubs (Back Bay, Downtown Crossing, Kenmore, South Station). A paid social media strategy using a mix of promoted posts and graphic-rich ad units on Facebook rounds out the campaign.

Example of mobile locator map



Example of an out-of-home digital display unit



June Instant Ticket Sales Update

Hit \$50!

Price Point: \$1

1 Week Sales: \$69,600

Money Money Money

Price Point: \$2

1 Week Sales: \$210,738



\$1,000,000 Jackpot

Price Point: \$5

1 Week Sales: \$1,124,805

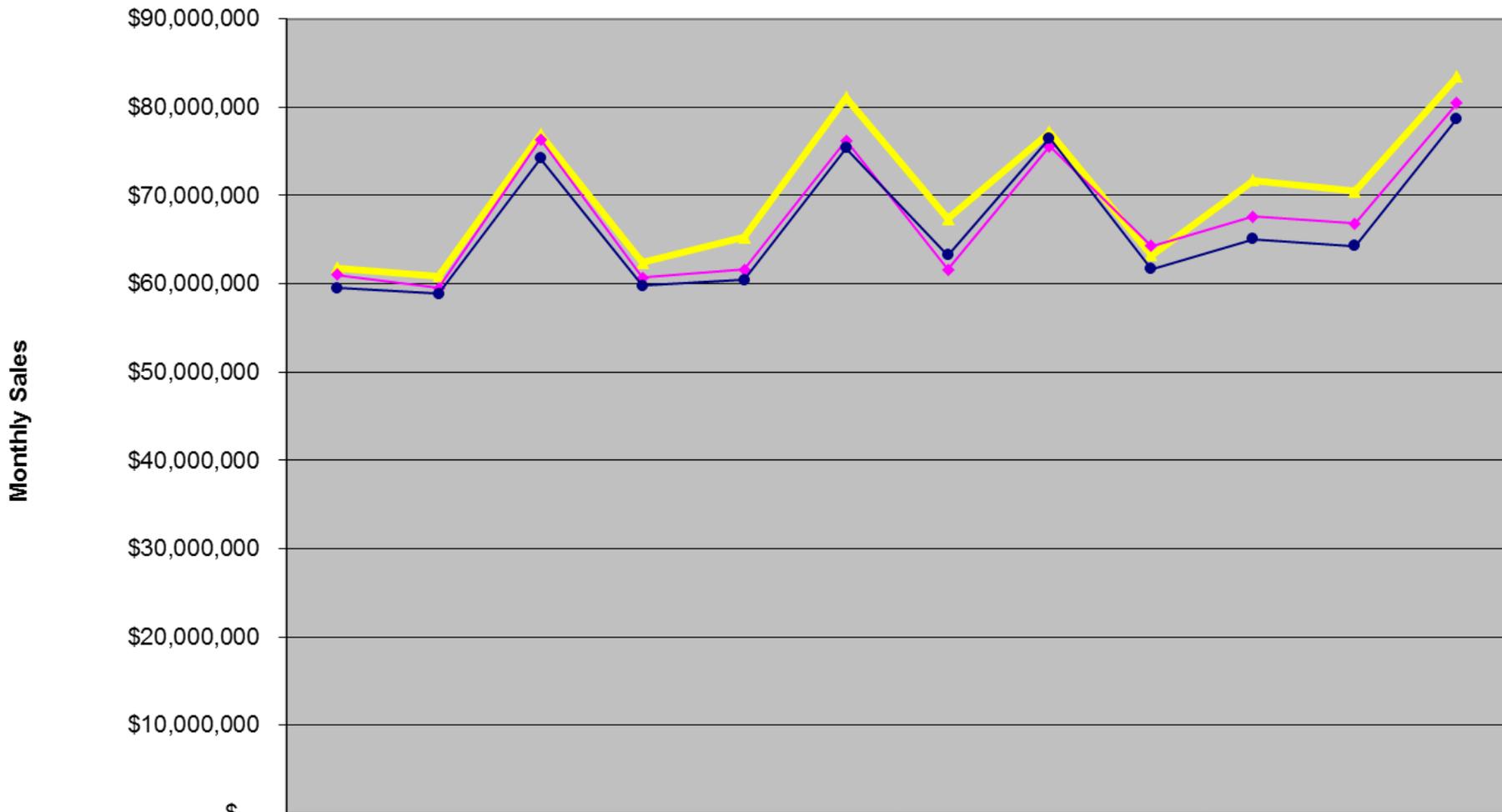
\$4,000,000 Payout

Price Point: \$10

1 Week Sales: \$1,984,270



KENO Game Monthly Sales June 12 thru May 15



	June	July	August	September	October	November	December	January	February	March	April	May
June 14-May 15 Monthly Sales	\$61,823,995	\$60,879,655	\$76,945,046	\$62,396,004	\$65,282,728	\$81,110,217	\$67,324,928	\$77,211,034	\$63,206,876	\$71,738,778	\$70,446,864	\$83,456,501
June 13-May 14 Monthly Sales	\$61,032,421	\$59,478,963	\$76,327,447	\$60,687,200	\$61,573,131	\$76,231,749	\$61,571,838	\$75,581,963	\$64,246,191	\$67,630,583	\$66,815,989	\$80,445,602
June 12-May 13 Monthly Sales	\$59,496,498	\$58,834,238	\$74,168,553	\$59,776,650	\$60,406,576	\$75,360,152	\$63,209,606	\$76,453,588	\$61,657,662	\$65,033,276	\$64,280,486	\$78,695,207

Month Ending



Fourth of July KENO Promotion

The Lottery will be offering a Second Chance promotion to KENO players for the Fourth of July holiday.

Every non-winning KENO, KENO Bonus & KENO-to-Go ticket sold from July 1st through July 7th will have a second chance to win \$2,015. Five (5) serial numbers will be selected each day during the promotional period from the pool of non-winning tickets sold the previous day. The results will be posted on masslottery.com.

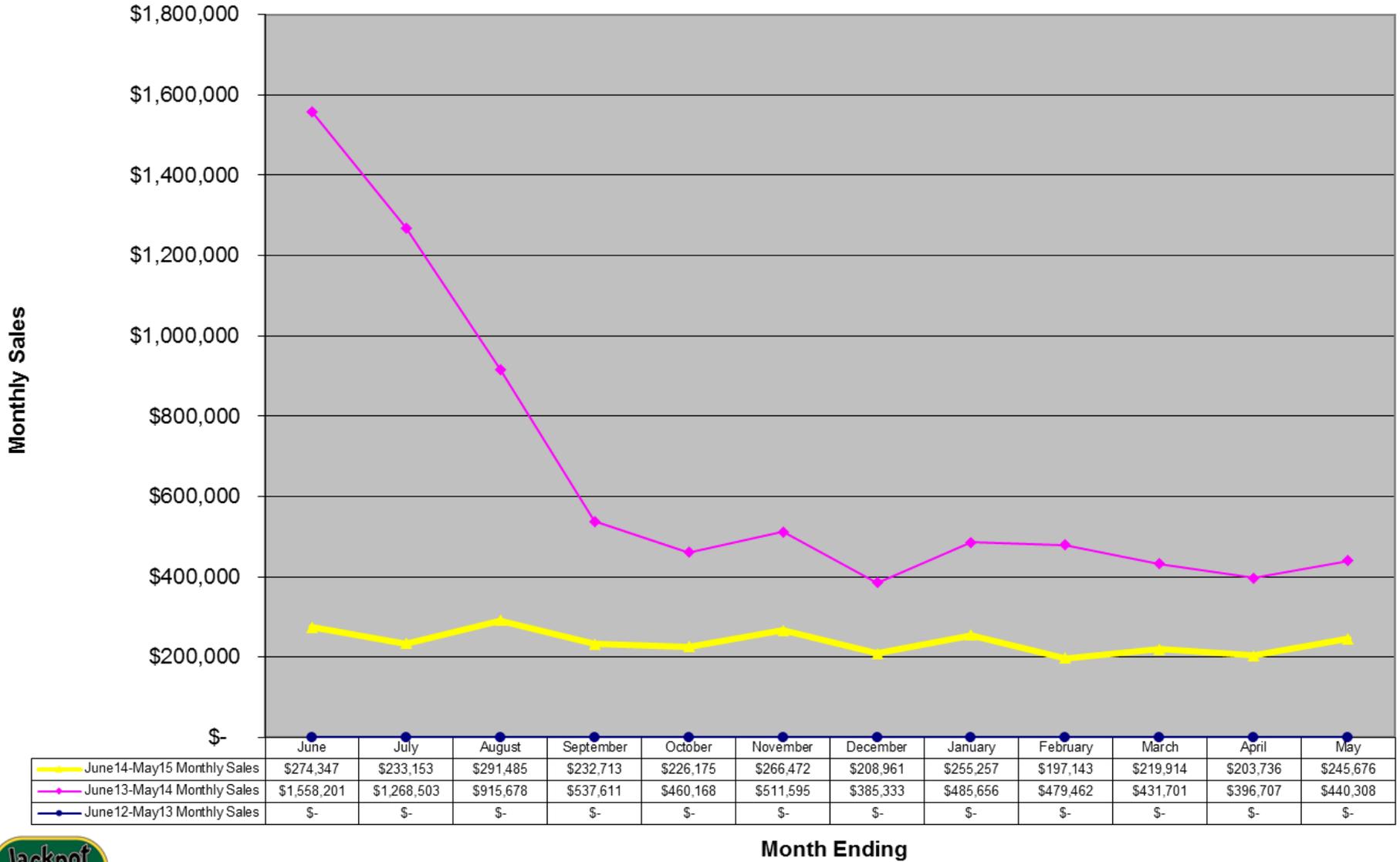
Similar promotions are offered during holiday weekends throughout the year. Each have yielded a sales boost for the game during the promotional period.



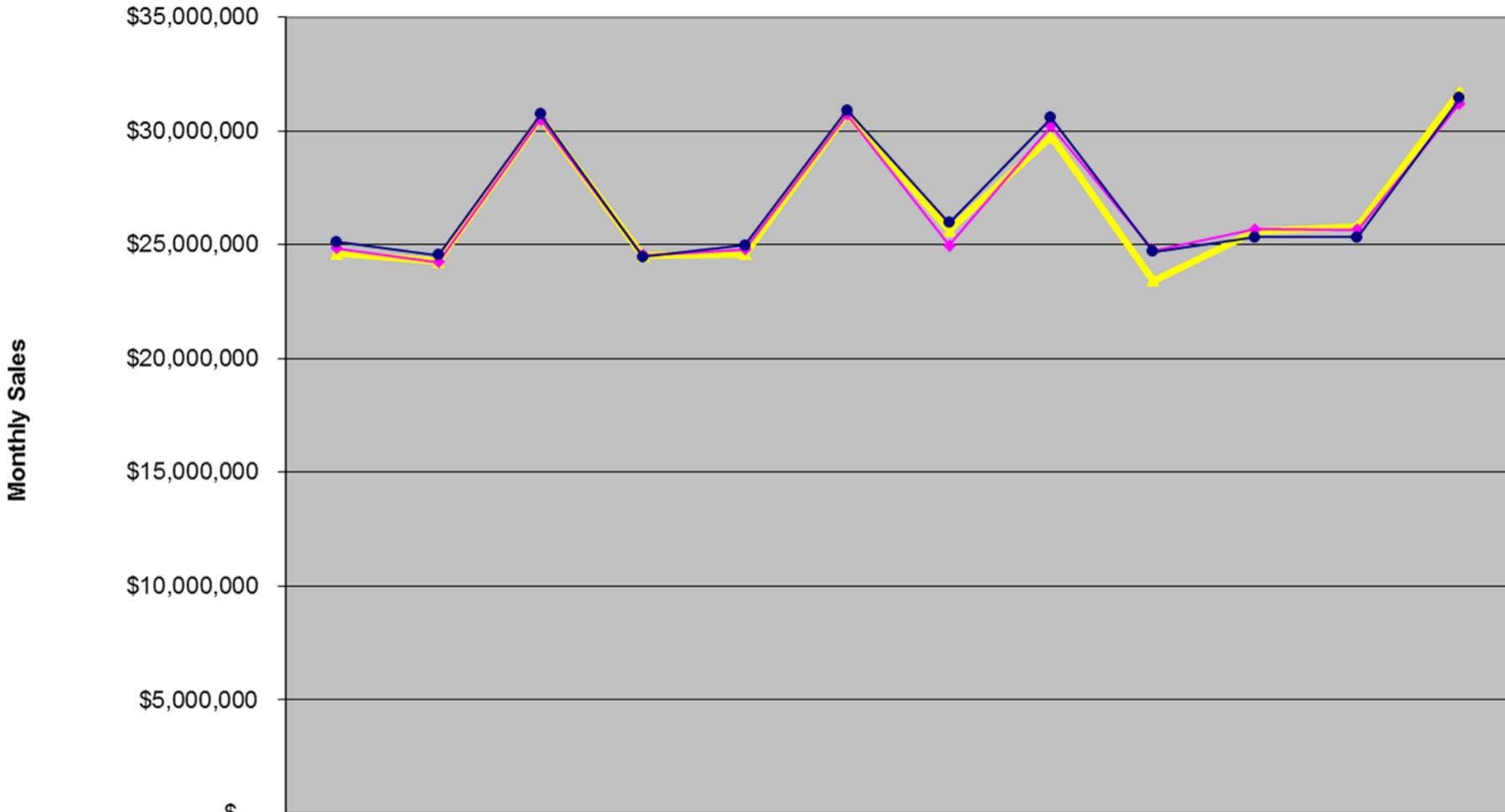
The graphic features a light blue background with a top border of seven red, white, and blue stars. Below the stars, the text "HAPPY BIRTHDAY AMERICA!" is written in large, bold, blue capital letters. Underneath this text are three horizontal stripes: a red stripe, a white stripe, and a red stripe. Below the stripes are three KENO logos: "KENO BONUS" in yellow and black, "KENO" in yellow and black, and "KENO to-go" in yellow and black. In the center is a dark blue rounded rectangle with a red border containing the following text: "Every non-winning KENO, KENO Bonus & KENO to-go ticket sold July 1 through July 7, 2015 will have a second chance to **WIN \$2,015!** Five (5) winning serial numbers will be chosen each day and posted on masslottery.com after 2:00 p.m. Friday, Saturday, Sunday and Monday's winning serial numbers will be posted on Tuesday. **YOU CAN WIN MORE THAN ONCE!**" Below this rectangle is a bottom border of seven red, white, and blue stars. At the very bottom, there is fine print: "Winning ticket holders in the 'July 4th 2015' drawing must claim their prizes by August 5, 2015 at a Lottery Regional Office. (Check www.masslottery.com for office locations). To claim a prize, winning ticket holder must present winning ticket and proper identification. Prize check will be mailed approximately two weeks after prize is claimed. Actual prize amount will be less applicable taxes and withholdings." To the right of the fine print is the "THE LOTTERY" logo with a stylized "L" and the website "masslottery.com". To the left of the fine print are social media icons for Facebook, Twitter, and YouTube. Below the icons is the text: "You must be 18 years or older to play the Lottery. If you have a problem with gambling, help is available. Call 1-800-426-1234."



Poker Game Monthly Sales June 12 thru May 15



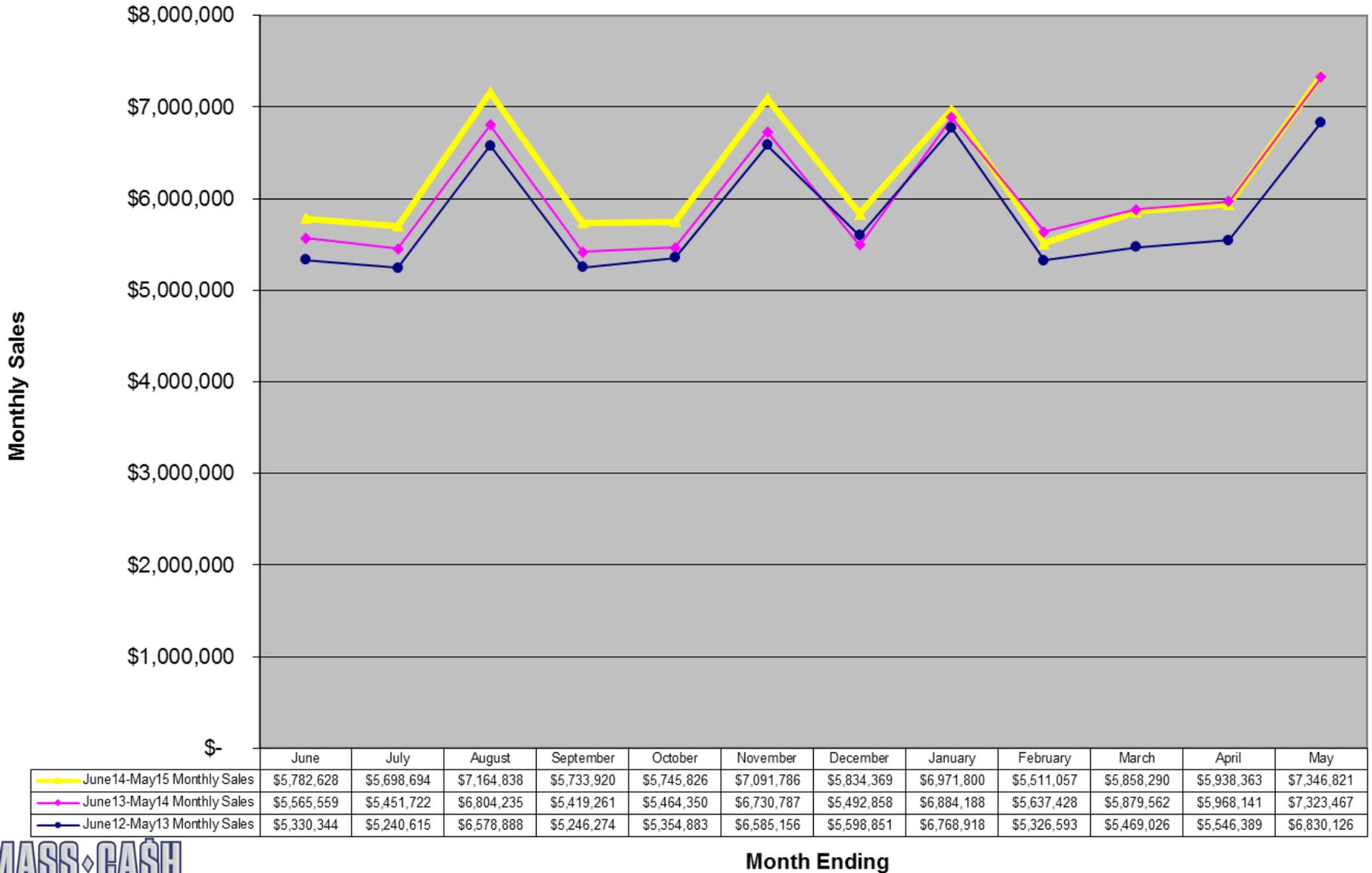
Numbers Game Monthly Sales June 12 thru May 15



	June	July	August	September	October	November	December	January	February	March	April	May
June 14-May 15 Monthly Sales	\$24,601,667	\$24,259,263	\$30,569,836	\$24,503,952	\$24,596,921	\$30,759,862	\$25,641,315	\$29,750,716	\$23,414,906	\$25,567,801	\$25,800,012	\$31,715,909
June 13-May 14 Monthly Sales	\$24,832,381	\$24,232,454	\$30,508,479	\$24,537,422	\$24,782,395	\$30,736,106	\$24,956,648	\$30,214,647	\$24,751,303	\$25,670,025	\$25,664,242	\$31,217,928
June 12-May 13 Monthly Sales	\$25,122,691	\$24,550,515	\$30,735,573	\$24,467,660	\$24,978,979	\$30,897,851	\$25,954,498	\$30,586,264	\$24,691,167	\$25,313,511	\$25,327,459	\$31,433,198

Month Ending

Mass Cash Game Monthly Sales June 12 thru May 15



Season Tickets Summer Discount Program

We will be offering a special, limited time only discount on any Season Ticket purchase starting July 5 and running through August 8, 2015. Due to upcoming changes in the multi-state Powerball game, Powerball Season Tickets will not be available for sale after July 4, 2015. Sales for Powerball Season Tickets will resume after the game changes take effect in October 2015.

POS



5 x 5 inch Decal



8.5 x 11 inch Poster



Season Tickets Paid Advertising (July 5 – August 8)

The Lottery will invest \$250,000 for the production and placement of a multi-media ad campaign supporting the Season Tickets discount period. The campaign will begin on July 5 and will run through August 8. The combination of TV, digital and direct mail paid advertising uses the “Seasons Change, Your Numbers Don’t Have To” theme that was used during the winter campaign.

Campaign components include a :15 TV spot that will air in the Boston and Springfield markets and a variety of high-impact digital units (including the :15 TV spot) that will be running across multiple platforms (desktop, mobile, tablet) on high-traffic/high-visibility sites for a five week period. A ValPak mailer will be sent out to 850,000 households across the state in mid-July to help promote the summer discount. A paid social media strategy on YouTube and Facebook rounds out the campaign.

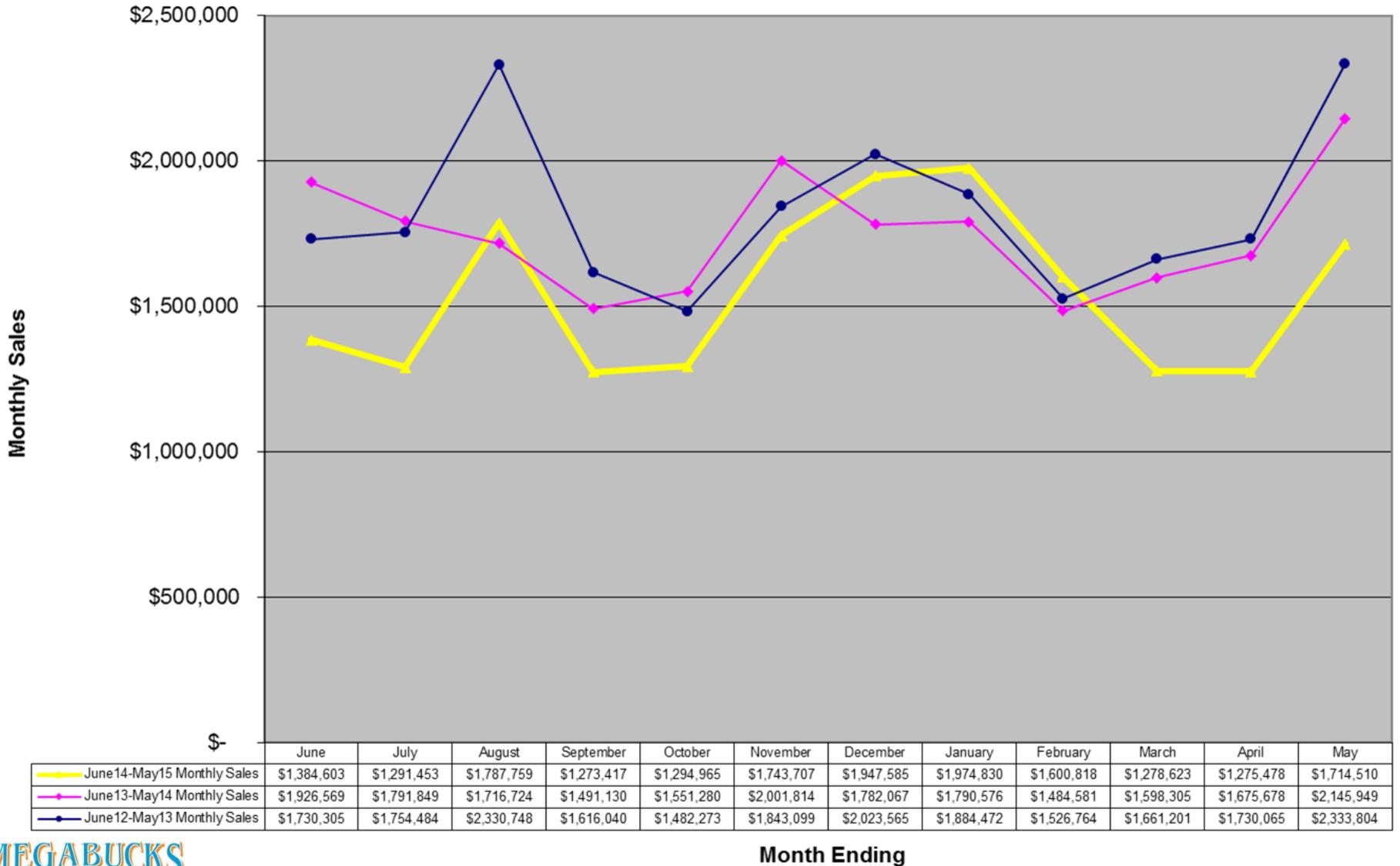
ValPak mailer



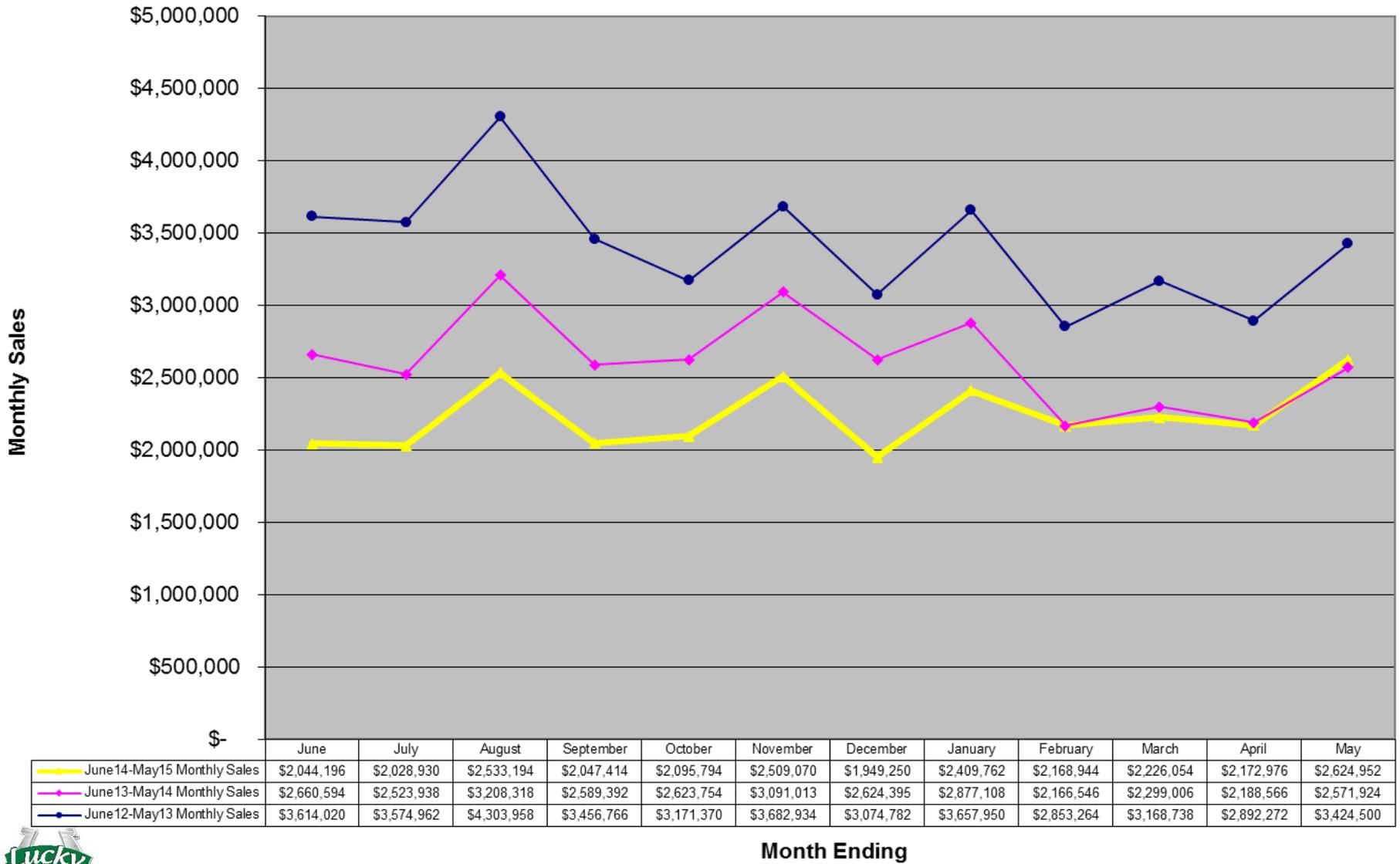
:15 TV



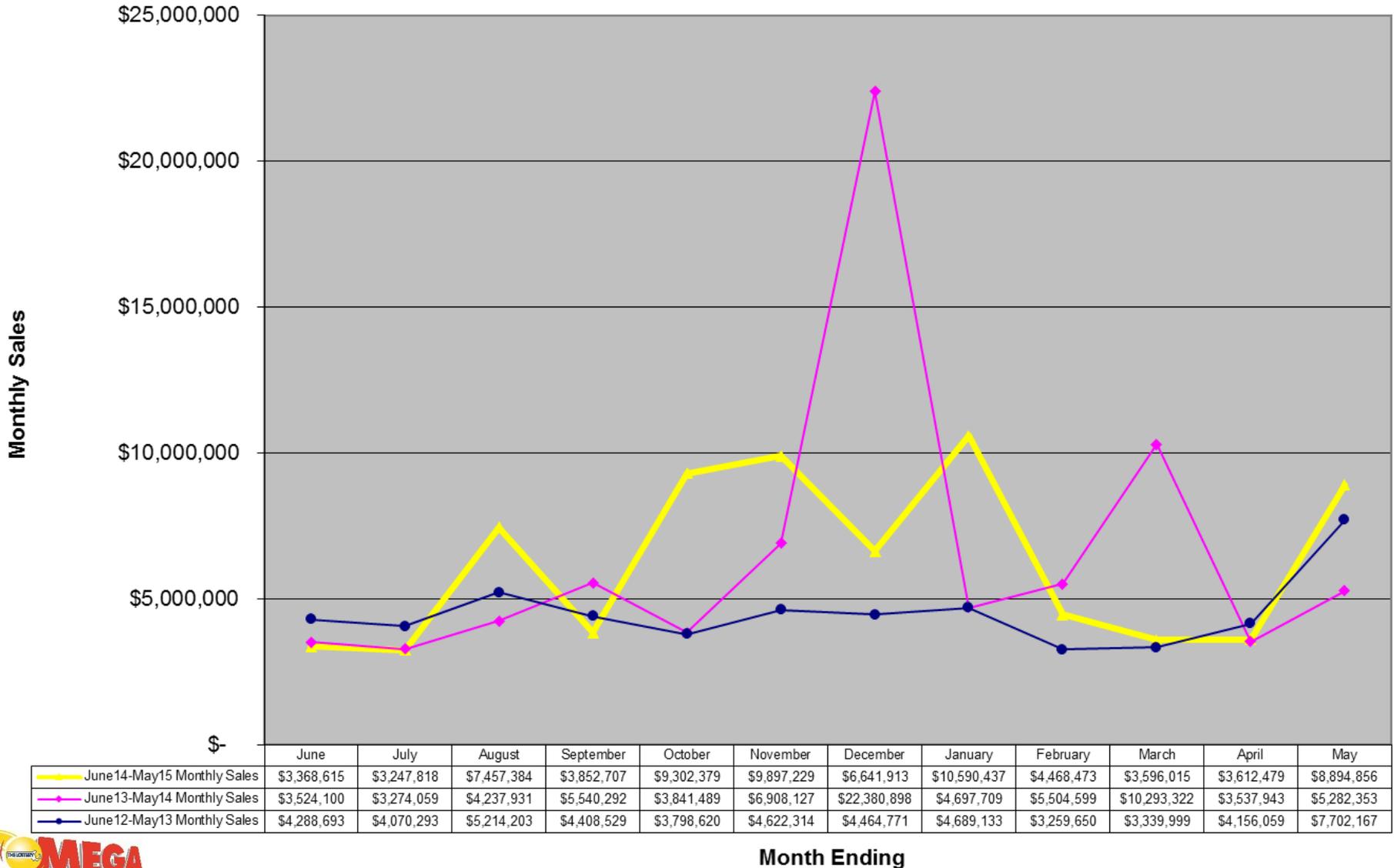
Megabucks Game Monthly Sales June 12 thru May 15



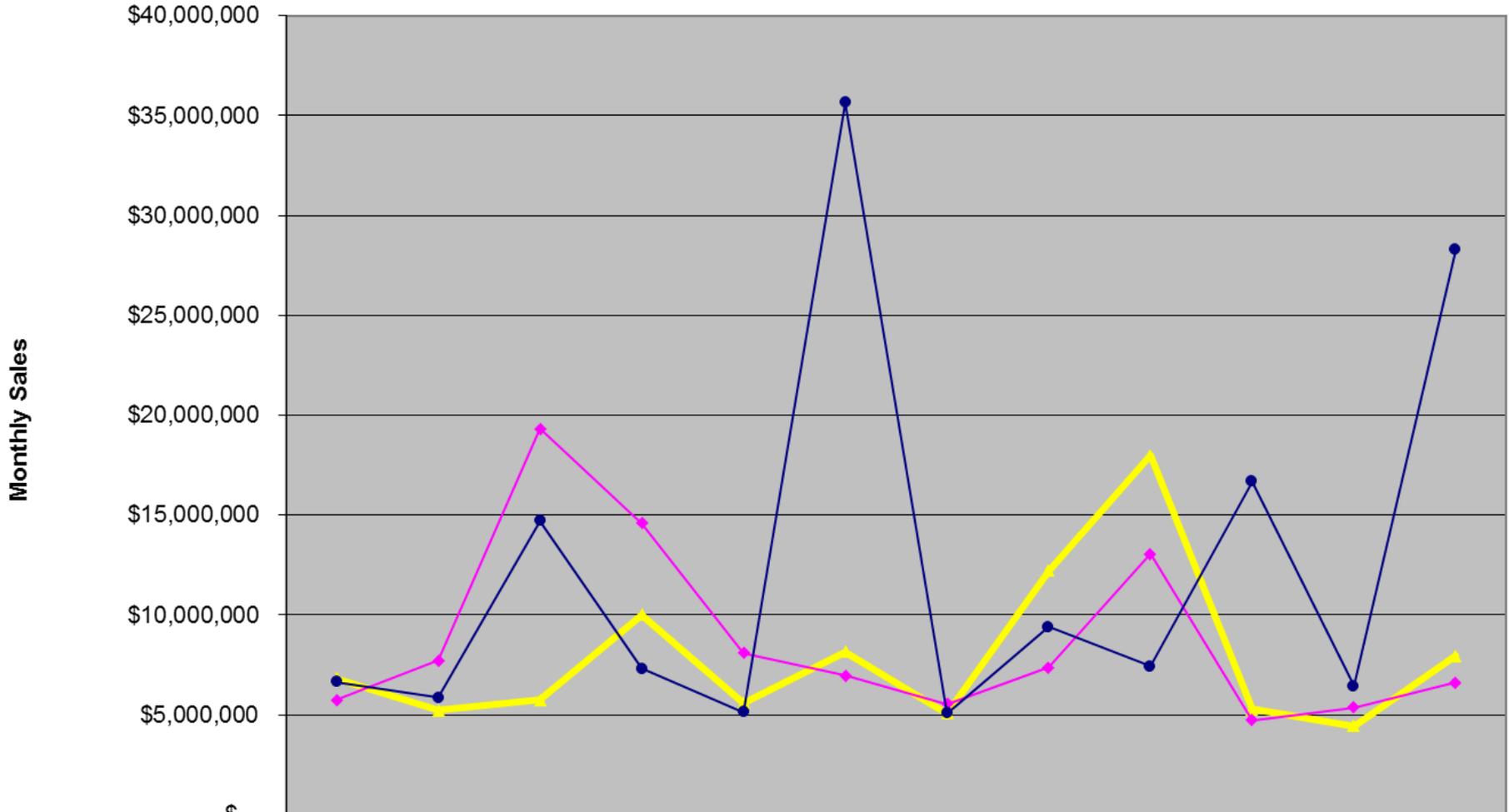
Lucky For Life Game Monthly Sales June 12 thru May 15



Mega Millions Game Monthly Sales June 12 thru May 15



Powerball Game Monthly Sales June 12 thru May 15

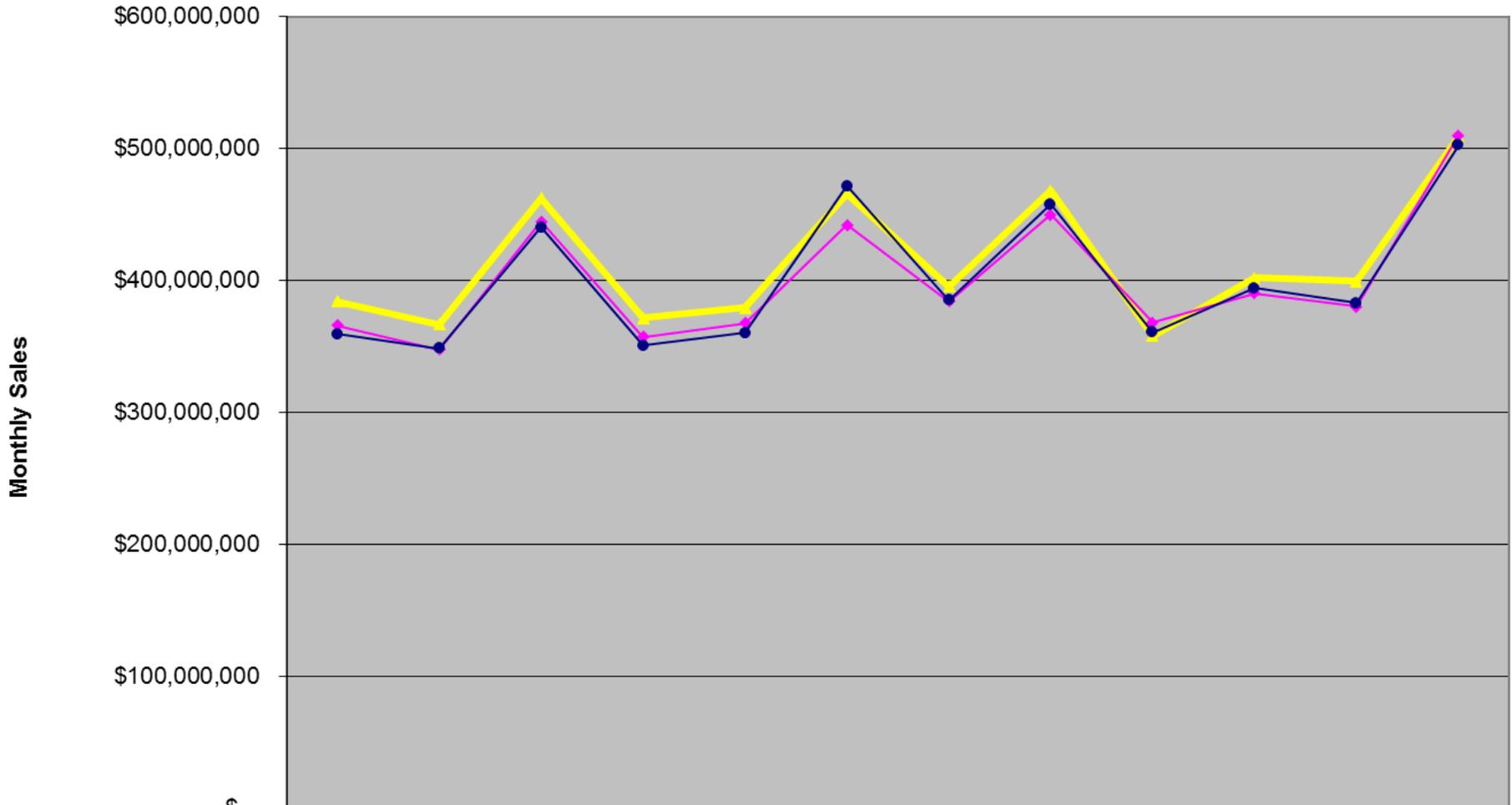


	June	July	August	September	October	November	December	January	February	March	April	May
June 14-May 15 Monthly Sales	\$6,813,545	\$5,214,641	\$5,739,212	\$10,020,958	\$5,600,787	\$8,145,031	\$5,074,881	\$12,199,470	\$17,978,767	\$5,280,722	\$4,446,753	\$7,942,487
June 13-May 14 Monthly Sales	\$5,741,443	\$7,726,066	\$19,304,321	\$14,581,647	\$8,103,188	\$6,975,920	\$5,535,193	\$7,364,913	\$13,059,062	\$4,722,932	\$5,363,276	\$6,618,810
June 12-May 13 Monthly Sales	\$6,655,330	\$5,871,261	\$14,703,908	\$7,305,907	\$5,143,446	\$35,640,312	\$5,066,533	\$9,395,862	\$7,424,722	\$16,688,031	\$6,444,726	\$28,262,940

Month Ending



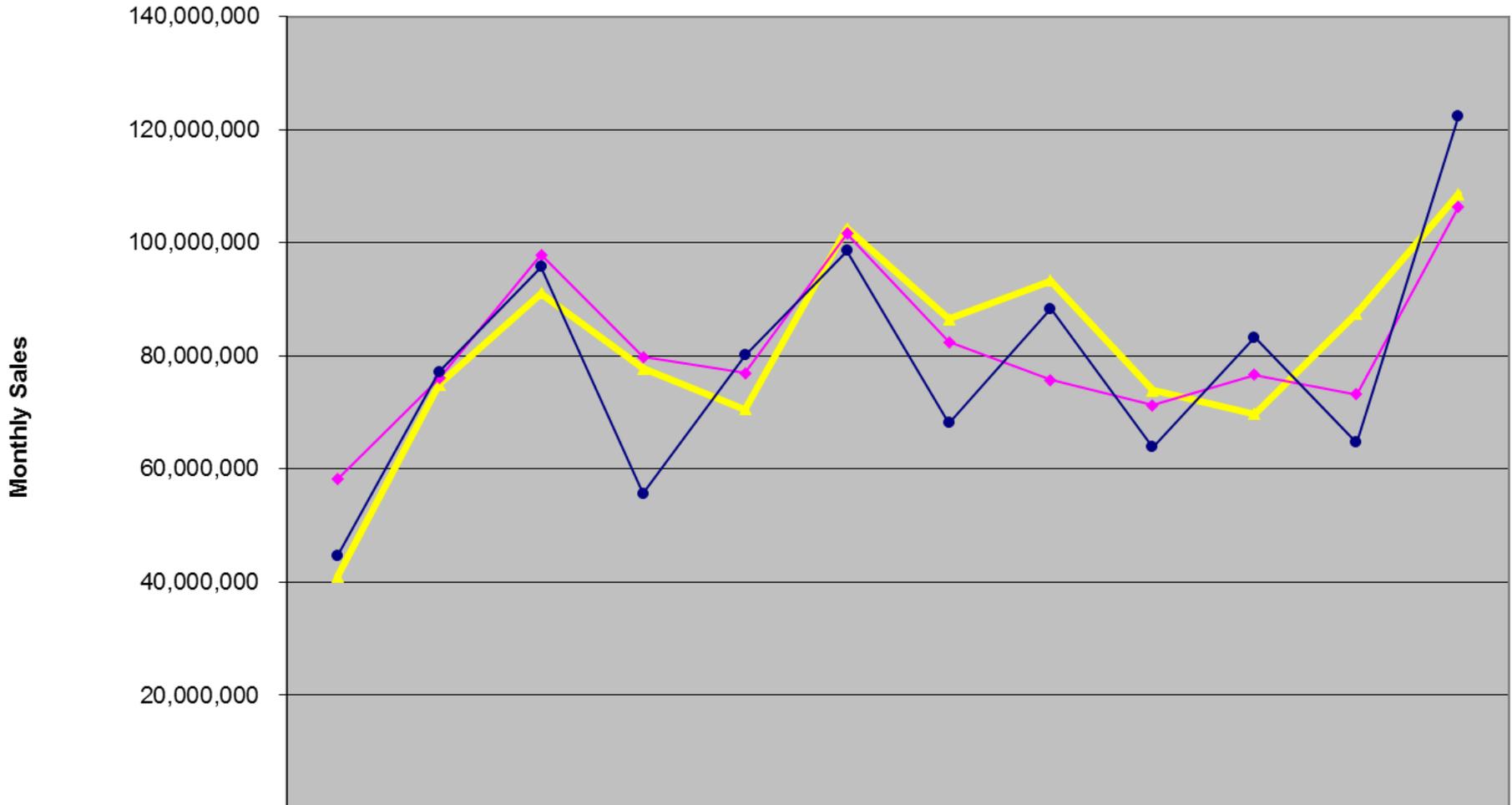
All Game Monthly Sales June 12 thru May 15



	June	July	August	September	October	November	December	January	February	March	April	May
June 14-May 15 Monthly Sales	\$384,014,46	\$366,817,08	\$462,423,20	\$371,602,63	\$379,119,35	\$465,913,06	\$395,332,36	\$468,110,25	\$357,865,50	\$401,766,29	\$399,204,13	\$509,282,67
June 13-May 14 Monthly Sales	\$365,804,86	\$347,447,17	\$444,714,79	\$357,201,67	\$367,635,77	\$441,807,12	\$384,251,56	\$449,839,88	\$368,172,38	\$390,204,00	\$380,203,87	\$509,755,20
June 12-May 13 Monthly Sales	\$359,205,13	\$348,653,04	\$440,248,26	\$350,548,19	\$360,006,31	\$471,334,14	\$385,141,21	\$457,475,98	\$360,488,15	\$394,327,36	\$382,685,71	\$502,405,17

Month Ending

Net Profit Monthly Sales June 12 thru May 15



	June	July	August	September	October	November	December	January	February	March	April	May
June 14-May 15 Monthly Sales	40,953,139	74,919,209	\$91,036,624	77,741,209	70,506,564	102,546,571	86,453,655	93,321,505	73,869,496	69,696,888	87,519,820	108,555,913
June 13-May 14 Monthly Sales	\$58,210,530	\$75,993,683	\$97,853,188	\$79,772,328	\$76,974,196	\$101,587,31	82,457,002	75,728,080	71,256,116	76,599,793	73,170,556	106,376,343
June 12-May 13 Monthly Sales	\$44,615,500	\$77,166,925	\$95,717,106	\$55,661,146	\$80,090,803	\$98,530,009	\$68,098,157	\$88,350,612	\$63,831,385	\$83,247,700	\$64,700,836	\$122,384,34

Month Ending

MSLC Revenue Results								
May FY15 vs. FY14								
(\$ millions)								
Through May 30, 2015								
	FY15	% of Total	FY14	% of Total	\$ Change	% Change		
Instant Tickets	\$365	71.7%	\$374	73.3%	-\$8	-2.2%		
MegaMillions	9	1.7%	5	1.0%	4	68.4%		
Powerball	8	1.6%	7	1.3%	1	20.0%		
Keno	83	16.4%	80	15.8%	3	3.7%		
Mass Cash	7	1.4%	7	1.4%	0	0.3%		
Race Game	0	0.0%	0	0.0%	0	0.0%		
Lucky For Life	3	0.5%	3	0.5%	0	2.1%		
Numbers Game	32	6.2%	31	6.1%	0	1.6%		
Super 50-50 Raffle	0	0.0%	0	0.1%	0	-100.0%		
Megabucks	2	0.3%	2	0.4%	0	-20.1%		
Jackpot Poker	0	0.0%	0	0.1%	0	-44.1%		
Total	\$509	100.0%	\$510	100.0%	-\$1	-0.2%		
Instant Tickets	\$365	71.7%	\$374	73.3%	-\$8	-2.2%		
Online Games	144	28.3%	136	26.7%	8	5.6%		
Total	\$509	100.0%	\$510	100.0%	-\$1	-0.2%		

MSLC Revenue Results								
Year-to-Date FY15 vs. FY14								
(\$ millions)								
Through May 30, 2015								
	FY15	% of Total	FY14	% of Total	\$ Change	% Change		
Instant Tickets	\$3,228	70.5%	\$3,096	69.7%	\$132	4.3%		
MegaMillions	72	1.6%	75	1.7%	-4	-5.2%		
Powerball	88	1.9%	99	2.2%	-12	-11.8%		
Keno	780	17.0%	751	16.9%	29	3.9%		
Mass Cash	69	1.5%	67	1.5%	2	2.7%		
Race Game	0	0.0%	0	0.0%	0	0.0%		
Lucky For Life	25	0.5%	29	0.6%	-4	-13.9%		
Numbers Game	297	6.5%	297	6.7%	-1	-0.2%		
Super 50-50 Raffle	0	0.0%	1	0.0%	-1	-100.0%		
Megabucks	17	0.4%	19	0.4%	-2	-9.7%		
Jackpot Poker	3	0.1%	6	0.1%	-4	-59.1%		
Total	\$4,577	100.0%	\$4,441	100.0%	\$136	3.1%		
Instant Tickets	\$3,228	70.5%	\$3,096	69.7%	\$132	4.3%		
Online Games	1,349	29.5%	1,345	30.3%	4	0.3%		
Total	\$4,577	100.0%	\$4,441	100.0%	\$136	3.1%		

Thank you for the opportunity to share this information. We look forward to your feedback and to further discussion on these figures, as well as other Lottery initiatives.

